MANAGEMENT

1.0. GENERAL

The contractor shall establish and maintain sufficient staffing and management support services and commit all other resources and facilities necessary to achieve and maintain compliance with all quantitative and qualitative standards for claims processing timeliness, claims inventory levels, claims control, and claims accuracy. Management support services shall also support the achievement and maintenance of the quantitative and qualitative standards for correspondence control, TED submissions, and the handling and completion of appeals. The requirements below outline minimum requirements of TMA. Contractors are encouraged to develop and employ the most effective management techniques available to ensure economical and effective operation.

2.0. SYSTEM ADDITIONS OR ENHANCEMENTS

2.1. Implementation Of Changes In Program Requirements

The contractor shall have the capacity, using either directly employed personnel or contracted personnel, to maintain and operate all required systems and to achieve timely implementation of changing program requirements.

2.2. Maintaining Current Status Of Diagnostic And Procedural Coding Systems

Contractors are required to use the current versions of the updated American Medical Association Physicians Current Procedural Terminology, 4th Edition (CPT-4), and the International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM) diagnostic coding system; and any special codes that may be directed by TMA. The contractor is responsible for using the most current codes correctly. That responsibility includes making any needed revisions required by periodic CPT-4 and ICD-9 updates issued by the publishers. When updates occur, contractors will be notified of the date the TED editing system will be accepting changes in the codes.

2.3. Zip Code File

The contractor shall update and maintain an electronic *file of inpatient catchment area* zip code*s* u*s*ing the electronic zip code directory furnished by the Government. *This electronic zip code directory defines Inpatient Catchment Areas that shall be used for verifying geographic nonavailability statement requirements in accordance with the TRICARE Policy Manual, Chapter 1, Section 6.1. The contractor shall update and maintain a second electronic file of all zip codes using a separate government-furnished electronic zip code directory. The contractor shall incorporate this second electronic file in its claims processing system to determine the validity of a beneficiary or provider zip code.* The*se* director*ies* will be provided by the Government no less than four and

no more than 12 times per calendar year. Updates to these *electronic* zip code directories *for the purposes of contract modifications*, *directed policy actions, changes to catchment area definitions, and* expansion *or termination of zip codes* by the U.S. Postal Service, shall be accomplished at no additional cost to the Government.

2.4. Updating And Maintaining TRICARE Reimbursement Systems

The contractor, at no additional cost to the government and as directed by TMA shall update and maintain all existing reimbursement systems as they apply to current provider categories implemented at the time of contract award. The TRICARE Reimbursement Manual is the source for instructions and guidance on all existing reimbursement systems for current provider categories.

3.0. MANAGEMENT CONTROLS

The contractor shall develop and employ management procedures necessary to ensure control, accuracy, and timeliness of transactions associated with operation of all TRICARE Service Center and health care finder functions, authorizations, provider referrals, the claims processing, beneficiary services, provider services, reconsiderations, grievances, automatic data processing (ADP), and financial functions. These procedures include such elements as:

3.1. An automated claims aging report, by status and location, for the purpose of identifying backlogs or other problem areas delaying claims processing. At a minimum, this report must be sorted to enable a count of the total number of claims pending for a specified length of time, e.g., the time periods specified in the Monthly Cycle Time/Aging Report.

3.2. An automated returned claims report counting the number of claims returned by the time periods specified in the Monthly Cycle Time/Aging Report.

3.3. Procedures to assure confidentiality of all beneficiary and provider information, to assure that the rights of the individual are protected in accordance with the provisions of the Privacy Act and the HIPAA and HHS Privacy Regulation and prevent unauthorized use of TMA files.

3.4. A system to control adjustments to processed claims which will document the actual date the need for adjustment is identified, the reason for the adjustment and the names of both the requesting and authorizing persons. The controls shall also be designed to ensure the accurate and timely update of the beneficiary history files, the timely and accurate submission of the TED data and issuance of the proper notice to the beneficiaries and providers affected by the adjustments.

3.5. A set of processing guidelines, desk instructions/user's manuals and reference materials for internal use, at least ten calendar days prior to the first day of delivery of health care services. These materials shall be maintained, on a current basis, for the life of the contract. Desk instructions shall be available to each employee in the immediate work area. Reference material such as procedure codes, diagnostic codes, and special processing guidelines, shall be available to each work station with a need for frequent referral. Other reference materials shall be provided in each unit with a reasonable need and in such

quantity as to ensure the ease of availability needed to facilitate work flow. Electronic versions may be used.

4.0. QUALITY CONTROL

4.1. The contractor shall develop and implement an end-of-processing quality control program which assures accurate input and correct payments for authorized services received from certified providers by eligible beneficiaries.

4.2. The contractor shall have a quality control program consisting of supervisory review on all appeals, grievances, correspondence, and telephone responses. This must begin by the end of the third month of operation and be carried out monthly thereafter. The review shall include at least one percent of all appeals and correspondence processed and telephonic responses completed. The criteria for review shall be accuracy and completeness of the written or telephonic response, clarity of the response, and timeliness with reference to the quantitative standards for the processing of appeals, grievances, and correspondence. All findings shall be documented, provided to TMA COR staff, or authorized auditors, on request, and used in a documented training program.

4.2.1. The quality review program will sample each quarter, a sufficient number of all processed claims and adjustments to ensure maintenance of quality of adjudication and processing and provide adequate management control. Claims in the sample shall include all claim types and be selected randomly, or by other acceptable statistical methods in sufficient number to yield at least a 90% confidence level with a precision of two percent. The sample will be drawn at or near the end of each quarter from claims completed during the review period. The contractor may draw the sample up to 15 calendar days prior to the close of the quarter, but must include claims completed in the period between the date the sample is drawn and the close of the quarter in the next quarterly sample. The contractor shall reflect the inclusive processing dates of the claims in the sample in the report submitted to TMA. The sampling will begin by the end of the first quarter of processing.

4.2.2. Documentation of the results shall be completed within 45 calendar days of the close of each contract quarter. Unless notified otherwise, contractors shall provide the results of the quarterly review to the Contracting Officer's Representative, by the 45th day following the close of each quarter.

4.3. The contractor shall retain copies of the reviewed claims, correspondence, appeals and related working documents, in separate files, for a period of no less than four months following submission of audit results to the Contracting Officer. TMA staff will review the results and will on a regular basis audit a selected sampling of the audited/quality review documents, either at the contractor's site or will require forwarding of selected work for review at TMA.

5.0. STAFF TRAINING PROGRAM

The contractor shall develop and implement a formal initial and ongoing staff training program including training on updates as they occur, to ensure a high quality of service to beneficiaries and providers. Mandatory, documented training in Confidentiality of Patient Records (42 U.S.C. [290dd-3]), requirements (see Chapter 1, Section 5). The contractor

shall not only provide education in these requirements but must document the personnel files of the staff members who receive the training. Centralized documentation shall also be maintained of the training session agendas, identity of attendees, actual dates and duration of training sessions, etc. The contractor is also responsible for ensuring that subcontractor staff is also trained.

6.0. INTERNAL AUDITS AND MANAGEMENT CONTROL PROGRAMS

6.1. Using its corporate internal review capability, the contractor is responsible for verifying that accounting data are correct, reliable and comply with all government accounting standards and requirements. The contractor's corporate internal review staff must conduct regular, routine reviews to ensure proper monitoring in areas of finance, financial accounting, internal controls, special checks issued and returned, and selected history maintenance transactions for possible fraud or abuse.

6.2. Within one year of the start of health care delivery, and at such time as a new function is added to requirements, contractor management shall perform vulnerability assessments in accordance with the Office of Management and Budget's *Circular A-123*.

6.3. An internal control review of all functions which are rated as highly vulnerable shall be performed by the corporate audit staff within one year of the date of the vulnerability assessment. Within three years of the date of the vulnerability assessment, the internal audit staff shall make an internal control review of all functions rated as having a medium vulnerability. Internal control reviews shall be performed in accordance with the Office of Management and Budget's *Circular A-123*.